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CCP, KMT INTRODUCE RENT REDUCTION

The following regulations governing rent and interest rate reductions have been promulgated by the Mei Hsien People's Government:

1. Rents paid by tenants to landowners in Mei Hsien will be uniformly reduced by 25 percent.

3. All share rents will be uniformly based on the actual amount of annual harvest. Under the new 25-percent rent reduction, the landowner's share will be one half the harvest minus 25 percent. For example, if the yield amounted to one shih [one shih equals 2.94 bushels], the landowner's share will be 5 tou [one tou equals 9.4 dry quarts] minus 25 percent, or 3.75 tou. All original rents higher than this new rate must be readjusted, but those which are lower may not be increased.

4. Based on the actual amount of this season's harvest, all contractual rents will be reduced by 25 percent. The actual amount of the rent shall be decided at a conference of representatives of the landowners, tenants, and the local government. Once decided, the rental rate adopted will be publicly announced and everyone will be required to conform to it.

5. Additional reduction in rent may be granted to widows and dependents of military personnel, poverty-stricken intelligentsia, dependents of overseas Chinese, etc., who are facing extreme hardship due to lack of working personnel. Rent reduction may be effected by mutual agreement between the landowner and tenant, or by government action.

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6. Even in cases where the rent has already been reduced by the landowner because the land had deteriorated or rents were excessive, the 25-percent rent reduction must be effected and in no case may the landowner increase the rent to compensate for the former reduction.

7. The rent of all lands, whether private-, public-, school-, or church-owned, used for productive purposes, shall be reduced by 25 percent and no exceptions may be made.

8. The old regulations governing the by-products produced on the land by tenants will remain in effect. However, the share to be turned over to the landowners will be reduced by 25 percent.

9. Old contracts under which tenants were required to turn over liquors, chickens, etc., to the landowners as token of appreciation are hereby voided.

10. After the enforcement of these regulations, the land rights of the landowners will be guaranteed and protected by the government. Landowners may dispose of their land but the priority of purchase shall be reserved to the tenants on the land. When faced with extreme hardship, the landowners may demand the return of a portion of the land from the tenants for their own cultivation. However, their right to regain possession of the land will be first governed by the hardship it will impose on the tenants.

11. Landowners are forbidden extort additional rent from the tenants after the enforcement of this regulation, nor can the tenants resist payment of the rent.

12. Violators of these regulations will be punished by the government.

#### B. Interest Rate

1. The annual interest rate on loans must not exceed 30 percent.

2. The interest rate for commercial loans is ~~except~~ from this regulation.

3. Any interest rate on loans exceeding this limitation must be readjusted, but interest rates lower than this limitation may not be increased.

4. A borrower who has already made interest payment whose total equals the original loan will be exempted from paying further interest. If the amount of interest paid totals twice the original loan, the loan will be automatically cancelled.

5. In liquidating old debts, debtors are required to pay only the original value of the loan, calculated in terms of commodities.

6. Loans not specifically covered in these regulations may be adjusted by the local government in accordance with the general tenets expressed by these regulations.

TAIWAN TO EMPLOY REDUCED RENT SYSTEM -- Cheng-i Pao, 26 Jun 49

Kuang-chou, (CHA), 25 June 1949 -- The China Joint Rural Rehabilitation Commission has announced that the Taiwan Provincial Government will employ the so-called "37.5 percent" reduced rent system beginning with the first harvest. Reduced rent is considered the first step in aiding Taiwan's agricultural rehabilitation.

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The reduced rents system recognizes that the supply of seeds, animals, tools and fertilizers needed in farming the land should be furnished by the joint efforts of landowner and tenant. The tenant will thus subtract 25 percent of the harvest to be used for the purchase of these materials. The remainder of the harvest will be divided equally, each side receiving 37.5 percent of the total yield.

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